

**IN THE UNITED STATES PATENT AND TRADEMARK OFFICE
BEFORE THE BOARD OF PATENT APPEALS AND INTERFERENCES**

IN RE APPLICATION OF:
Rabindranath Dutta, *et al.*

SERIAL NO: 09/963,715

CONFIRMATION NO.: 9288

FILED: September 26, 2001

FOR: Method and System for Parent
Controlled E-Commerce

EXAMINER: Joseph A. Fischetti

GROUP ART UNIT: 3627

Via Facsimile: 571-273-8300

REPLY BRIEF

Attorney for Appellant
Jeffrey L. Streets
Registration No. 37,453
13831 Northwest Freeway, Suite 355
Houston, Texas 77040
713-939-9444

TABLE OF CONTENTS

Table of Contents.....	i
Introduction.....	1
(1) Status of the Claims.....	2
(2) Grounds of Rejection to be Reviewed on Appeal.....	3
(3) Argument.....	4
a. Claims 1, 2, 4, 5, 13, 16, 17, 19, and 20 stand rejected under 35 U.S.C. 103(a).....	4
1. Review of the cited prior art.....	4
2. Applicable law.....	5
3. The cited prior art fails to teach or suggest all the claim limitations of independent claims 1 and 16.....	8
4. The cited prior art fails to teach or suggest all the claim limitations of claims 2 and 17.....	13
5. No evidence has been provided for a teaching, motivation or suggestion to select and combine the cited references.....	14
6. Applicable law governing a “new ground of rejection”.....	16
7. The Answer does not make out a “new ground of rejection”.....	17
b. Claims 1, 6-9 and 21-24 stand rejected under 35 U.S.C. 103(a).....	17
1. Review of the cited prior art.....	17
2. The cited prior art fails to teach or suggest all the claim limitations of claims 1, 6-9 and 21-24.....	18
3. The cited prior art fails to teach or suggest all the claim limitations of claims 7 and 21.....	19
4. No evidence has been provided for a teaching, motivation or suggestion to select and combine the cited references.....	20

5. Non-analogous art cannot be used to establish obviousness.....	21
6. The Answer does not make out a “new ground of rejection”.....	22
c. Claims 1, 10-12, 14, and 25 stand rejected under 35 U.S.C. 103(a).....	23
1. Review of the cited prior art.....	23
2. Claim 1	23
3. The cited prior art fails to teach or suggest all the claim limitations of claims 11-12, 14 and 25.....	24
4. The Answer does not make out a “new ground of rejection”.....	25
d. Claims 1, 3 and 18 stand rejected under 35 U.S.C. 103(a).....	26
1. Review of the cited prior art.....	26
2. Claim 1	27
3. The cited prior art fails to teach each all the claim limitations of claims 3 and 18.....	27
4. The Answer does not make out a “new ground of rejection”.....	28

INTRODUCTION

Appellant timely filed a Notice of Appeal to this Board on August 11, 2005 appealing the decision of the Examiner in the Final Office Action dated May 11, 2005 for the above captioned application. Subsequent to the filing of Appellant's Appeal Brief, the Examiner's Answer was mailed on October 30, 2007. Appellant hereby submits this Reply Brief pursuant to 37 C.F.R. 41.37 prior to the deadline of December 30, 2007.

(1) STATUS OF THE CLAIMS

The status of all claims in the application under appeal is as follows: claims 1-14 and 16-38 are pending in the application. Claims 1-14 and claims 16-25 stand rejected and are under appeal. Claims 15 and 26-38 stand withdrawn from consideration.

(2) GROUNDS OF REJECTION TO BE REVIEWED ON APPEAL

a. Claims 1, 2, 4, 5, 13, 16, 17, 19 and 20 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, *et al.* in view of U.S. Patent No. 6,178,407 issued to Lotvin, *et al.*

b. Claims 1, 6-9 and 21-24 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, *et al.* in view of U.S. Patent No. 6,178,407 issued to Lotvin, *et al.* and further in view of U.S. Patent No. 6,674,368 issued to Hawkins, *et al.*

c. Claims 1, 10-12, 14, 25 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, *et al.* in view of U.S. Patent No. 6,178,407 issued to Lotvin, *et al.* and further in view of U.S. Patent No. 6,742,141 issued to Miller.

d. Claims 1, 3 and 18 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, *et al.* in view of U.S. Patent No. 6,178,407 issued to Lotvin, *et al.* and further in view of U.S. Patent No. 6,052,675 issued to Checchio.

(3) ARGUMENT

a. Claims 1, 2, 4, 5, 13, 16, 17, 19 and 20 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, *et al.* in view of U.S. Patent No. 6,178,407 issued to Lotvin, *et al.*

(1) Review of the cited prior art.

Blonder discloses an automated method for alerting a customer that a transaction is being initiated and for authorizing the transaction based upon a confirmation/approval by the customer. (Blonder, Abstract). Blonder discloses that a computer system database may send out an alert message over a two-way pager to a customer concerning a business transaction and that the customer can then approve the transaction by sending back an authorization code to the database. (Blonder, col. 9, lines 11-31). The system disclosed by Blonder is an automated authorization system that provides a database that can both receive the authorization code from the customer and compare the code to a stored authorization code to provide automatic authorization of a transaction. (Blonder, col. 15, lines 10-27). Blonder discloses the problems that result from an inability to quickly and efficiently inform the individual customer that his customer identifier (e.g., credit card, calling card, debit card, PIN, password, etc.) is being used in a transaction for a particular purpose and the inability of the customer to respond thereto in order to confirm or deny its use. (Blonder, col. 2, lines 55). Blonder discloses an automated method to solve this problem that includes informing the customer of the pending transaction and authorizing the transaction only in response to a customer confirmation. *Id.*

Lotvin discloses a method and apparatus for motivating children to devote more time to educational and cultural enrichment by awarding them with points whenever they complete educational tasks. (Lotvin, Abstract). These points can then be redeemed towards the purchase of goods and services offered through the system by its commercial participants. *Id.* Parents purchase the services of the provider by signing up for the service and by providing a credit card number to pay for the services on a monthly basis and also to pay for the selections made by the children for goods and services when they cash in their points. (Lotvin, col. 2, lines 24-30). Optionally, the parents may exclude certain categories of goods from being made available to the children when the children cash in their points. (Lotvin, col. 2, lines 39-42 and col. 7, lines 1-5). For example, the parents may indicate that toys of a violent nature are to be precluded. (Lotvin, col. 13, lines 50-51). When the child is ready to cash in his earned points, the system *provides a menu of purchasing choices* consistent with the number of points the child has earned, the spending limit set by the parent and the parental exclusion preferences. (Lotvin, col. 13, lines 45-52). The child makes his selections and the system processes the order. (Lotvin, col. 13, lines 55-67).

(2) Applicable law of obviousness.

A claimed invention is unpatentable if the differences between it and the prior art “are such that the subject matter *as a whole* would have been obvious at the time the invention was made to a person having ordinary skill in the art.” 35 U.S.C. 103(a) [emphasis added]. The ultimate determination of whether an invention is or is not obvious is a legal conclusion based on underlying factual inquiries including: (1) the scope and content of the prior art; (2) the level of ordinary skill in the prior art; (3) the differences between the claimed invention and the prior art;

and (4) objective evidence of nonobviousness. *Graham v. John Deere Co.*, 383 U.S. 1, 17-18, 148 USPQ 459, 467 (1966). As the Federal Circuit has stated, “Focusing on the obviousness of substitutions and differences instead of on the invention *as a whole* . . . was a legally improper way to simplify the difficult determination of obviousness.” *Hybritech Inc. v. Monoclonal Antibodies, Inc.*, 802 F.2d 1367, 1383 (Fed. Cir. 1986) [emphasis added].

To establish a *prima facie* case of obviousness of a claimed invention, all the claim limitations must be taught or suggested by the prior art. *In re Royka*, 490 F.2d 981, 985 (CCPA 1974). All words in a claim must be considered in judging the patentability of that claim against the prior art. *In re Wilson*, 424 F.2d 1382, 1385 (CCPA 1970).

An additional requirement for providing a *prima facie* case of obviousness is that the Examiner must provide a basis for combining or modifying the cited references. The mere fact that references can be combined or modified does not render the resultant combination obvious unless the prior art also suggests the desirability of the combination. *In re Mills*, 916 F.2d 680 (Fed. Cir. 1990).

In the case *In re Rouffet*, 149 F.3d 1350 (Fed. Cir. 1998), the Court states:

When a rejection depends on a combination of prior art references, there must be some teaching, suggestion, or motivation to combine the references. Although the suggestion to combine references may flow from the nature of the problem, the suggestion more often comes from the teachings of the pertinent references or from the ordinary knowledge of those skilled in the art that certain references are of special importance in a particular field. Therefore, when determining the patentability of a claimed invention which combines two known elements, the question is whether there is something in the prior art as a whole to suggest the desirability, and thus the obviousness, of making the combination.

Id. at 1356 [citations omitted].

In the case *In re Lee*, 277 F.3d 1338 (Fed. Cir. 2002), the Federal Circuit held:

When patentability turns on the question of obviousness, the search for and analysis of the prior art includes *evidence* relevant to the finding of whether there is a teaching, motivation, or suggestion to select and combine the references relied on as evidence of obviousness.

Id. at 1343, emphasis added.

The courts have recognized that most inventions are made up of elements that have already been discovered and utilized. It is the specific combination of these elements, however, that define the invention being claimed. For example, in the case *In re Kotzab*, 217 F.3d 1365 (Fed. Cir. 2000), the Court states:

Most, if not all inventions arise from a combination of old elements . . . Thus, every element of a claimed invention may often be found in the prior art. However, identification in the prior art of each individual part claimed is insufficient to defeat patentability of the whole claimed invention. Rather, to establish obviousness based on a combination of the elements disclosed in the prior art, there must be some motivation, suggestion or teaching of the desirability of making the specific combination that was made by the applicant.

Id. at 1395.

Even more recently, in the case of *KSR Int'l Co. v. Teleflex Inc.*, 127 S.Ct. 1727 (2007), the United States Supreme Court instructed that:

[R]ejections on obviousness grounds cannot be sustained by mere conclusory statements; instead, there must be some articulated reasoning with some rational underpinning to support the legal conclusion of obviousness.

(3) The cited prior art fails to teach or suggest all the claim limitations of independent claims 1 and 16.

Applicant respectfully asserts that a *prima facie* case of obviousness has not been presented because neither one of the cited references teaches nor suggests that a reply message received from the parent includes *e-transaction instructions*. Applicant claims that the reply message must contain both an (1) authorization and (2) instructions. Furthermore, neither of the cited prior art references teach or suggest electronically receiving an e-transaction proposal from a minor.

Blonder discloses sending a message to the parent asking for authorization and receiving an authorization message back from the parent, in the form of a code, but does not teach or suggest that the parent send additional instructions back *with* the parent's authorization. Blonder clearly points out that what is disclosed therein is an automatic *authorization* method; indeed, its title is Transaction Authorization and Alert System. (Blonder, Title) Blonder does not suggest or teach that this system may be expanded to receive *e-transaction instructions* in the authorization message received from the parent. On this point, the Examiner's Answer dated October 30, 2007 asserts that after soliciting the cardholder to "enter a transaction authorization code to enable consummation of the proposed e-transaction" (Answer, page 4, lines 21-23; citing Blonder et al. at col. 9, line 21), "[t]he pre-defined code then is sent back electronically as a reply message received by the validation means 106 to provide a transaction authorization code *and* e-transaction instructions (approval/disapproval message col. 9, line 19) . . ." (Answer, page 4, lines 23-25; citing Blonder et al.; *emphasis added*). However, this is *not* what Blonder et al. teaches. Rather, Blonder et al. says that if an approval/disapproval response is requested by the validation database 106, "the card owner transmits an approval/disapproval message *by* entering

a pre-defined code in the two way pager” and transmitted to the validation database 106. (Blonder et al., col. 9, lines 14-22; *emphasis added*). Accordingly, the pre-defined code is the approval/disapproval message. The examiner’s assertion that the cardholder transmits both an approval/disapproval message and a pre-defined code is not supported by the disclosure.

Claim 1 includes the step of “electronically receiving a reply message from the parent authorizing the e- transaction and providing e-transaction instructions.” Applicant asserts that common rules of claim construction dictate that “authorizing the e-transaction” and “providing e-transaction instructions” are two separate limitations of the claim. Blonder et al. does not provide any disclosure that could be construed as “providing e-transaction instructions” separate and apart from the disclosure of “authorizing the e-transaction.” As the name “approval/disapproval message” implies, the message provides approval or disapproval of the e-transaction, but nothing more.

The examiner is not free to disregard the limitation of “providing e-transaction instructions.” A *prima facie* case of obviousness cannot be supported unless the references teach or suggest each and every limitation of the claims.

Furthermore, the references do not disclose “electronically receiving an e-transaction proposal from the minor”, as claimed by Appellant. (See Claim 1). The examiner admits that “Blonder et al. is silent as to whether the proposal by the child is one which is electronically transmitted”, but then asserts that “Lotvin et al. discloses electronically receiving an e-transaction proposal from a minor (block 604 system receives the child’s selection col. 13, line 54), which proposal has limitations place on it by the parent, albeit in advance.” (Answer, page 5, lines 2-6).

Applicant asserts that Lotvin et al. does not disclose electronically receiving an e-transaction proposal from a minor. Applicant's disclosure defines the term "e-transaction" as "the submission of an e-purchaser's name, credit card number and credit card expiration date in order to complete a transaction using the internet (an 'e-transaction')." (Application, page 1, lines 24-27). According to the disclosure of Lotvin et al., the e-transaction took place when the parent purchased the services of the provider by signing up for the service and by providing a credit card number to pay for the services on a monthly basis. The minor is merely completing educational tasks and selecting parent pre-approved awards. Therefore, Lotvin et al. does not disclose the minor proposing an e-transaction.

It is important to note that there is *no e-transaction proposal* sent by the minor in Lotvin because Lotvin discloses that the method displays a menu of pre-selected and approved purchases that the minor may select from. Therefore, the minor selects the choices and the result is not a "proposal" that must be approved, but is instead, the order of the minor for pre-selected and approved goods.

Furthermore, Lotvin discloses that both the authorization and any constraints to what the minor may purchase are already obtained before the minor makes any choices as to what to buy with the "points" he has earned. Only pre-arranged choices are provided for the minor to choose from. Lotvin discloses that the parent provides all required information when the parent signs the child up for the educational services. The parent provides a credit card number when the parent signs the child up for the educational services and provides a set amount that the child is allowed to spend on the prizes when the child cashes in his points. Lotvin further discloses that the parent may exclude certain toys or goods from the mix that is offered to the minor when the minor is ready to "spend" his points.

The Examiner asserts that “Blonder et al. discloses that instructions are sent by the card owner, e.g. the parent, to the retailer about the authorization terms.” (Examiner’s Answer, page 10, lines 17-19; citing Blonder et al. at col. 11, lines 43-60). However, the cited passage actually states that “the customer may have instructed the retailer . . . at a time prior to the initiation of the transaction.” Accordingly, Bonder et al. does not teach or suggest “electronically receiving a *reply message* from the parent authorizing the e-transaction and *providing e-transaction instructions*.”

Furthermore, the Examiner explains that “the reply message in Blonder et al. containing the code authorization is read as both, more generally, an instruction in the form of a code instructing the retailer to process payment.” (Examiner’s Answer, page 10-11). However, the Applicants claims include “electronically receiving a reply message from the parent *authorizing the e-transaction* and *providing e-transaction instructions*.” If, as the Examiner suggests, the term *authorizing* is construed to be a form of instruction, then normal rules of claim construction would still suggest that the reply message, according to claim 1, must also include “e-transactions instructions” other than those *authorizing* the e-transaction. The Examiner is not allowed to ignore or read limitations out the claims. Every word in a claim has meaning and the Applicant has carefully claimed “electronically receiving a reply message from the parent *authorizing the e-transaction* and *providing e-transaction instructions*.” A reference that merely teaches *authorizing* does not disclose the present limitation, which includes *authorizing AND providing e-transaction instructions*.

Still further, the Examiner asserts the following:

Finally, the language in claim 1 calls only for “providing e-transaction instructions” which can be read not as part of the receiving step in line 9 of claim 1 because the verb “receiving” is associated with the phrase “a reply message from the parent authorizing the e-transaction”, and the verb “providing” is associated with the noun “instructions”. Read in this way, Blonder et al discloses providing instructions in the form of e-mail (col. 11, 43-46) in one step, and in another step causes a reply message from the parent authorizing the e-transaction to be received by the retailer col. 13, lines 23-37.

(Examiner’s Answer, page 11).

The Appellant asserts that this construction of the claim limitation cannot be supported. Although the Examiner may be asserting the broadest interpretation of the claim, the asserted interpretation is not the broadest *reasonable* interpretation. Rather, Appellant asserts that it is clear from the language of the claim, as well as clear from the description in the specification, that the claim language “authorizing the e-transaction and providing e-transaction instructions” describes what the reply message accomplishes. This claim interpretation is further supported by claim 11, which refers to the method of claim 1 and includes the limitation “wherein the e-transaction instructions of the reply message comprise the selective rejection.” Accordingly, the only reasonable interpretation of the subject limitation of claim 1 is that the e-transaction instructions are provided by the reply message.

A *prima facie* case of obviousness has not been presented because neither of the cited prior art references teach or suggest (1) a server electronically receiving an *e-transaction proposal* from a minor, or (2) a response message from a parent including *both* a transaction authorization *and* an *e-transaction instructions*,. Appellant therefore respectfully requests that the Board find independent claims 1 and 16 presented on appeal to be patentable as well as, therefore, all other claims presented on appeal that depend therefrom.

(4) The cited prior art fails to teach or suggest all the claim limitations of claims 2 and 17. Applicant respectfully asserts that a *prima facie* case of obviousness has not been presented because neither one of the cited references teaches nor suggests a server creating and sending an electronically transmittable third message notifying the minor of the parent's response to the proposed e-transaction.

The Examiner cites Blonder as suggesting or teaching this limitation as Blonder discloses that an authorization from the transaction processing center to the retailer, where the minor is waiting for the goods to be purchased, may be the third message if the retailer relays the message to the child. (Final Office Action, p. 3). However, such is not what Appellant claims.

Blonder discloses that what is sent back to the retailer is an *authorization code* that identifies the transaction and can thereby be used to verify that the authorization process was properly adhered to by the retailer. (Blonder, col. 12, lines 15-25). Typical reasons for denial include that the balance on the customer's account has exceeded its credit limit or that the customer has not responded to the request for authorization. *Id.*

Blonder does not disclose that the parent's response is sent electronically as a third message notifying the minor of the parent's response. At best, relaying the message to the child by the retailer would be a *fourth* message from the retailer to the minor and such message would not be sent electronically but would be spoken to the child. As Appellant pointed out above, neither of the prior art references teach or suggest that a server electronically receives an e-transaction proposal from a minor and here, neither prior art reference teaches or suggests the limitations of claims 2 and 17 - that the server creates and sends a third message notifying the minor of the parent's response to the proposed e-transaction. The third message cited by the

Examiner only informs the retailer that the credit card issuer has approved the transaction – not the minor.

Blonder does not disclose that the retailer even knows that the parents have or have not been contacted. Therefore, at best, Blonder discloses that the retailer can tell the minor that the transaction was or was not approved by the credit card company, but the retailer cannot tell the minor (1) that the parents were contacted or (2) that the parents did or did not approve the transaction. Such information is simply not provided in the authorization code provided to the retailer by the credit card issuer.

Because neither of the cited prior art references suggest or teach that the server creates and sends an electronically transmittable third message notifying the minor of the parent's response, a *prima facie* case of obviousness has not been presented. Appellant therefore respectfully requests that the Board find claims 2 and 17 presented on appeal to be patentable.

(5) No evidence has been provided for a teaching, motivation or suggestion to select and combine the cited references.

Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented because there has been no evidence cited relevant to the finding of whether there is a teaching, motivation or suggestion to select and combine the references. The Examiner has stated that “it would be an obvious modification to the method of Blonder et al. to include an electronic proposal instead of the in person type disclosed in Blonder et al. because this would provide a more flexible method of purchasing and enhancing commerce by electronic means. (Examiner's Answer, page 5, line 6-8).

As the *Rouffet* Court has taught, “Although the suggestion to combine references may flow from the nature of the problem, the suggestion more often comes from the teachings of the pertinent references or from the ordinary knowledge of those skilled in the art that certain references are of special importance in a particular field.” *In re Rouffet*, 149 F.3d at 1356.

Appellant respectfully asserts that there is no motivation to combine the cited references. First, addressing the first *Rouffet* prong, there is no evidence that the nature of the problem to be solved provides any evidence of a motivation to combine these references. Each of the references attempts to solve a different problem. Blonder addresses the problem of credit card fraud and provides a method for automatically obtaining authorization for a credit card transaction. Lotvin attempts to solve the problem of how to increase the educational and cultural level of children. Neither reference suggests or teaches a solution to the problem of how to allow minors to fully but safely participate in e-commerce transactions, which is the problem sought to be solved by Applicant.

Addressing the second *Rouffet* prong, there is no suggestion from the cited prior art that the references should be combined. Neither of the prior art references address the subject of minors using the internet to buy goods and services. Blonder only discloses minors using “brick and mortar” stores, where their status as a minor is determined only from sight by the retailer and the system seeking authorization does not know whether a minor or an adult is seeking to purchase goods or services. Lotvin only discloses purchases being made on the website of the educational services provider with earned “points” from “appropriate menus presented to the child offering goods and services that may be optionally based on the parent’s preferences.” (Lotvin, col. 7, lines 1-3). Therefore, there is no suggestion from the prior art that the reference should be combined.

The third *Rouffet* prong provides that the motivation to combine references may come from the ordinary knowledge of those skilled in the art that certain references are of special importance in a particular field. There has been no evidence provided showing that the cited prior art references are of special importance in a particular field.

Therefore, because there has been no evidence presented showing the motivation to combine the cited references, Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented. Appellant therefore requests that the Board find the claims presented on appeal to be patentable.

(6) Applicable law governing a “new ground of rejection.”

37 C.F.R. 41.39(a)(2) permits the entry of a new ground of rejection in an examiner's answer mailed on or after September 13, 2004. New grounds of rejection in an examiner's answer are envisioned to be rare, rather than a routine occurrence. See MPEP 120703.

According to MPEP 1207.07(III), there is no new ground of rejection when the basic thrust of the rejection remains the same such that an appellant has been given a fair opportunity to react to the rejection. See *In re Kronig*, 539 F.2d 1300, 1302-03, 190 USPQ 425, 426-27 (CCPA 1976). Where the statutory basis for the rejection remains the same, and the evidence relied upon in support of the rejection remains the same, a change in the discussion of, or rationale in support of, the rejection does not necessarily constitute a new ground of rejection. *Id.* at 1303, 190 USPQ at 427.

(7) The Answer does not make out a “new ground of rejection.”

The Examiner’s Answer has withdrawn rejections under 35 U.S.C. 103(a) over Lotvin et al. in view of Blonder et al. and asserts to make out new grounds of rejection under 35 U.S.C. 103(a) over Blonder et al. in view of Lotvin et al. Accordingly, the statutory basis for the rejection remains the same and the evidence relied upon in support of the rejection remains the same. The Examiner’s Answer only changes the discussion of the rejection and does not constitute a new ground of rejection.

The Examiner’s Answer asserts to respond to Appellants arguments made in the Appeal Brief. (Examiner’s Answer of October 30, 2007, page 9) However, the Answer treats Appellant’s arguments regarding the prior rejection of “Lotvin et al. in view of Blonder et al.” (now withdrawn) as if these arguments were made against the alleged new grounds of rejection of “Blonder et al. in view of Lotvin et al.” Therefore, it appears to the Applicant that the Examiner does not find the alleged “new ground of rejection” to be anything more than a new discussion of the rejection. Withdrawal of the “new” rejections is requested.

b. Claims 1, 6-9 and 21-24 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, et al. in view of U.S. Patent No. 6,178,407 issued to Lotvin, et al. and further in view of U.S. Patent No. 6,674,368 issued to Hawkins, et al.

(1) Review of the cited prior art.

Hawkins discloses methods and apparatus for tracking the location of assets and persons. (Hawkins, Abstract). Position information is provided to a central monitoring station

aperiodically. *Id.* Hawkins discloses the need to provide improved methods and apparatus for tracking criminals and goods in transit. (Hawkins, columns 1 and 2). Alerts may be sent out by email, pop-ups, facsimile message and pagers depending upon the level of alert required. (Hawkins, col. 12, lines 12-31). Contact addresses and types of notifications for given alerts may be determined by the authorized user. *Id.* The authorized user is the person receiving the alerts. (Hawkins, col. 23, lines 53-54). A high level alert may be triggered by the movement of a criminal offender and a low level alert may be assigned for a violation associated with a child leaving a school yard. (Hawkins, col. 16, lines 57-67).

(2) The cited prior art fails to teach or suggest all the claim limitations of claims 1, 6-9 and 21-24.

Although the Examiner's Answer asserts this rejection against claim 1, it is believed that this was a mistake since the Examiner's comments are directed to the claim limitation of notifying the parent via email and such a limitation is not found in claim 1. Rather, only claims 6-9 and 21-24 include this limitation.

Furthermore, Applicant respectfully asserts that a *prima facie* case of obviousness has not been presented because none of the three cited references teaches nor suggests sending an email to a parent that describes the e-transaction proposal and solicits the parent to authorize an e-transaction that comprises at least a part of the e-transaction proposal.

The Examiner admits that neither Lotvin nor Blonder teach or suggest the limitations of claims 6-9 and 21-24 and therefore, the Examiner cites Hawkins for those limitations. (Examiner's Answer, page 5). However, Hawkins merely discloses that an email may be sent to a parent to alert the parent that a child has left a school yard. The triggering event for sending an

email to a parent in Hawkins is that a child left a school yard, not a proposed e-transaction. The content of the email message could not be more different and the events triggering the email messages could not be more different between Hawkins and Appellant's claimed invention.

Therefore, because the cited prior art references fail to teach or suggest sending an email to a parent that describes the e-transaction proposal and solicits the parent to authorize an e-transaction that comprises at least a part of the e-transaction proposal, Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented. Therefore, Appellant respectfully requests the Board to find that claims 1, 6-9 and 21-24 presented on appeal are patentable.

(3) The cited prior art fails to teach or suggest all the claim limitations of claims 7 and 21.

Applicant respectfully asserts that a *prima facie* case of obviousness has not been presented because none of the three cited references teaches nor suggests that the parent's e-mail address is provided by the minor along with the proposed e-transaction.

The Examiner cites Lotvin et al. (column 5, lines 35-46) as disclosing, *at least in part*, the limitation of the parent's email address being provided by the minor in claims 7 and 21. (Examiner's Answer, page 6). However, the cited passage does not appear to teach that the minor provide the e-mail address along with the proposed e-transaction. Indeed, the cited paragraph of Lotvin et al. discloses a help desk with human operators that receive telephone calls and emails distributed in accordance with operator queues as known in the art. None of the cited prior art references teach or suggest that the email address is provided by the minor, a limitation claimed by Appellant.

Therefore, because the cited prior art references fail to teach or suggest that the parent's e-mail address is provided by the minor along with the proposed e-transaction, Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented. Therefore, Appellant respectfully requests the Board to find that claims 7 and 21 presented on appeal are patentable.

(4) No evidence has been provided for a teaching, motivation or suggestion to select and combine the cited references.

Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented because there has been no evidence cited relevant to the finding of whether there is a teaching, motivation or suggestion to select and combine the references. The Examiner has stated that "it would be an obvious modification to the method of Blonder et al. to include an electronic proposal instead of the in person type disclosed in Blonder et al. because this would provide a more flexible method of purchasing and enhancing commerce by electronic means. (Examiner's Answer, page 5, line 6-8).

Appellant has already provided an analysis of the lack of evidence for combining Lotvin and Blonder. Continuing now with Hawkins and first, addressing the first *Rouffet* prong, there is no evidence that the nature of the problem sought to be solved provides any evidence of a motivation to combine these references. Hawkins addresses the problem of tracking people and shipments of goods and does not address at all the concerns of (1) increasing the educational and cultural level of children (Lotvin), (2) decreasing the level of credit card fraud by providing a method of automatically obtaining authorization for a credit card transaction (Blonder) or (3)

how to allow minors to fully but safely participate in e-commerce transactions, which is the problem sought to be solved by Applicant.

Addressing the second *Rouffet* prong, there is no suggestion from the cited prior art that the references should be combined. None of the prior art references address the subject of minors using the internet to buy goods and services.

The third *Rouffet* prong provides that the motivation to combine references may come from the ordinary knowledge of those skilled in the art. Certainly there has been no evidence provided showing that the cited prior art references are of special importance in a particular field.

Therefore, because there has been no evidence presented showing the motivation to combine the cited references, Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented. Appellant therefore requests that the Board find claims 6-9 and 21-24 presented on appeal to be patentable.

(5) Non-analogous art cannot be used to establish obviousness.

Appellant respectfully asserts that Hawkins is non-analogous art and therefore may not be combined with other prior art to establish obviousness. 35 U.S.C. § 103 requires that obviousness be determined on the basis of whether at the time the invention was made, a person of ordinary skill in the art to which the subject matter pertains would have found the claimed invention as a whole obvious. In the case *In re Wood*, 599 F.2d 1032 (CCPA 1979), the Court stated:

The determination that a reference is from a nonanalogous art is therefore twofold. First, we decide if the reference is within the field of the inventor's endeavor. If it is not, we proceed to determine whether the reference is reasonably pertinent to the particular problem with which the inventor was involved.

Considering the first prong of *Wood*, Appellant respectfully asserts that Hawkins is not even marginally within the field of the inventor's endeavor. Appellant's field of endeavor is the furtherance of the use of e-commerce by minors. Hawkins field of endeavor is, as stated therein, tracking the geographic position of assets. (Hawkins, col. 1, lines 14-15).

Considering, then, the second prong of *Wood*, Appellant respectfully asserts that Hawkins is not reasonably pertinent to the particular problem with which the inventor was involved. As discussed, *supra*, Hawkins addresses the problem of tracking people and shipments of goods and does not address at all the concerns of how to allow minors to fully but safely participate in e-commerce transactions, which is the problem sought to be solved by Applicant.

Therefore, because Hawkins is nonanalogous art and cannot be used to support an obviousness rejection, Appellant respectfully requests that the Board finds that claims 1, 6-9 and 21-24 presented on appeal are patentable.

(6) The Answer does not make out a “new ground of rejection.”

The Examiner's Answer has withdrawn rejections under 35 U.S.C. 103(a) over Lotvin et al. in view of Blonder et al. and Hawkins et al. and asserts to make out new grounds of rejection under 35 U.S.C. 103(a) over Blonder et al. in view of Lotvin et al and Hawkins et al. Accordingly, the statutory basis for the rejection remains the same and the evidence relied upon in support of the rejection remains the same. The Examiner's Answer only changes the discussion of the rejection and does not constitute a new ground of rejection.

The Examiner's Answer asserts to respond to Appellants arguments made in the Appeal Brief. (Examiner's Answer of October 30, 2007, page 9) However, the Answer treats

Appellant's arguments regarding the prior rejection of "Lotvin et al. in view of Blonder et al. and Hawkins et al." (now withdrawn) as if these arguments were made against the alleged new grounds of rejection of "Blonder et al. in view of Lotvin et al. and Hawkins et al." Therefore, it appears to the Applicant that the Examiner does not find the alleged "new ground of rejection" to be anything more than a new discussion of the rejection. Withdrawal of the "new" rejections is requested.

c. Claims 1, 10-12, 14, 25 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, et al. in view of U.S. Patent No. 6,178,407 issued to Lotvin, et al. and further in view of U.S. Patent No. 6,742,141 issued to Miller.

(1) Review of the cited prior art.

Miller provides a solution to the problem of repeated computer system and software failure or instability. (Miller, Abstract). The solution disclosed by Miller is a database that contains entries with executable code that can make use of these services in order to monitor, disclose and solve specific problems. *Id.* More specifically, in FIG. 12C, Miller discloses a user interface of the customer screen where the customer can use a checkbox to enable the reporting of minor problems with the software and can use another check box to enable the reporting of all problems. (Miller, col. 15, lines 15-21).

(2) Claim 1.

Although the Examiner's Answer asserts this rejection against claim 1, it is believed that this was a mistake since the Examiner's comments are directed to clickable options and

selectively rejecting items and such limitations are not found in claim1. Rather, only claims 10-12, 14 and 25 include limitations addressed by the Examiner's comments.

(3) The cited prior art fails to teach or suggest all the claim limitations of claims 11-12, 14 and 25.

Applicant respectfully asserts that a *prima facie* case of obviousness has not been presented because none of the three cited references teaches nor suggests providing a list of each item sought by the minor in the e-transaction proposal and allowing the parent to selectively reject one or more items on the list, wherein the e-transaction instructions of the reply message comprise the selective rejections.

The Examiner cites Miller for disclosing a clickable option menu that allows a user to select options. Miller allows a customer to use a checkbox to enable the reporting of minor problems with the software and can use another check box to enable the reporting of all problems. However, that is not what Appellant claims. Claim 11 includes the method of claim 1, further comprising:

- a. providing a list of each item sought by the minor in the e-transaction proposal; and
- b. allowing the parent to selectively reject one or more items on the list,
- c. wherein the e-transaction instructions of the reply message comprise the selective rejections.

No reference has been cited that suggests or claims these three claimed limitations.

Furthermore, Applicant asserts that *in the context of the present claims*, the Examiner's assertion that "a list can be a list of one" is impertinent. The claim language itself includes "providing a list of each item" and "allowing the parent to *selectively reject one or more items on the list*". Since the claim language itself states that the parent may "selectively reject" one or more items from the list, it is clear that the list includes more than one item. One cannot "selectively reject" an item unless there are multiple items from which to select. Accordingly, simply supplying the "identity of the retailer and/or the amount of the purchase" (Blonder et al., col. 13, lines 11-18) does not disclose or suggest the limitations of the present claims.

Therefore, because the cited prior art references fail to teach or suggest these limitations, Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented. Therefore, Appellant respectfully requests the Board to find that claims 11-12 and 25 presented on appeal are patentable.

(4) The Answer does not make out a "new ground of rejection."

The Examiner's Answer has withdrawn rejections under 35 U.S.C. 103(a) over Lotvin et al. in view of Blonder et al. and Miller and asserts to make out new grounds of rejection under 35 U.S.C. 103(a) over Blonder et al. in view of Lotvin et al and Miller. Accordingly, the statutory basis for the rejection remains the same and the evidence relied upon in support of the rejection remains the same. The Examiner's Answer only changes the discussion of the rejection and does not constitute a new ground of rejection.

The Examiner's Answer asserts to respond to Appellants arguments made in the Appeal Brief. (Examiner's Answer of October 30, 2007, page 9) However, the Answer treats

Appellant's arguments regarding the prior rejection of "Lotvin et al. in view of Blonder et al. and Miller" (now withdrawn) as if these arguments were made against the alleged new grounds of rejection of "Blonder et al. in view of Lotvin et al. and Miller." Therefore, it appears to the Applicant that the Examiner does not find the alleged "new ground of rejection" to be anything more than a new discussion of the rejection. Withdrawal of the "new" rejections is requested.

d. Claims 1, 3 and 18 stand rejected under 35 U.S.C. 103(a) as being unpatentable over U.S. Patent No. 5,708,422 issued to Blonder, et al. in view of U.S. Patent No. 6,178,407 issued to Lotvin, et al. and further in view of U.S. Patent No. 6,052,675 issued to Checchio.

(1) Review of the cited prior art.

Checchio provides a method and apparatus for *pre-authorizing* transactions for a credit card. (Checchio, Abstract). Linked with a credit card number in a database is a Personal Identification Code (PIC). *Id.* Whenever a consumer wishes to use the credit card, the consumer must provide both the credit card number and the PIC or the authorization for use of the credit card will not be granted by the credit card company. (Checchio, col. 4, lines 40-51). The owner of the credit card may be issued several PIC's, each having its own spending limit so that children may be given the credit card but are limited by the amount they can charge because of the PIC given to each of the children. (Checchio, col. 6, lines 41-62).

(2) Claim 1.

Although the Examiner's Answer asserts this rejection against claim 1, it is believed that this was a mistake since the Examiner's comments are directed to limitations are not found in claim 1. Rather, only claims 3 and 18 include limitations addressed by the Examiner's comments.

(3) The cited prior art fails to teach or suggest all the claim limitations of claims 3 and 18.

Applicant respectfully asserts that a *prima facie* case of obviousness has not been presented because none of the three cited references teaches nor suggests that the reply message from the parent comprises a credit card number for electronically funding the e-transaction.

Checchio does not disclose providing an e-transaction instruction in a responding message to charge goods or services to a particular credit card that is supplied in the message. Checchio merely discloses that a PIC number may be associated with a given credit card so that when the credit card is used, the PIC must be used with the credit card for authorization, much like the common use of a debit card. The credit card number must be supplied with the PIC. In other words, very similar to the common use of a debit card, when a customer presents the debit card for use, the customer must enter a Personal Identification Number (PIN) before the transaction can be authorized by the debit card issuing bank. This is not what Applicant claims.

The Examiner has asserted that the difference between sending a credit card number in a responding message as opposed to sending it in an initiating message is "a mere reversal of steps." Applicant asserts that a "mere reversal" is the difference between a teaching of "A then

B” compared with a teaching of “B then A”. Regarding the present claims, sending information in a responding message is not a mere reversal of sending information in an initiating message.

Therefore, because the cited prior art references fail to teach or suggest that the reply message from the parent comprises a credit card number for electronically funding the e-transaction, Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented. Therefore, Appellant respectfully requests the Board to find that claims 3 and 18 presented on appeal are patentable.

(4) The Answer does not make out a “new ground of rejection.”

The Examiner’s Answer has withdrawn rejections under 35 U.S.C. 103(a) over Lotvin et al. in view of Blonder et al. and Checchio and asserts to make out new grounds of rejection under 35 U.S.C. 103(a) over Blonder et al. in view of Lotvin et al and Checchio. Accordingly, the statutory basis for the rejection remains the same and the evidence relied upon in support of the rejection remains the same. The Examiner’s Answer only changes the discussion of the rejection and does not constitute a new ground of rejection.

The Examiner’s Answer asserts to respond to Appellants arguments made in the Appeal Brief. (Examiner’s Answer of October 30, 2007, page 9) However, the Answer treats Appellant’s arguments regarding the prior rejection of “Lotvin et al. in view of Blonder et al. and Checchio” (now withdrawn) as if these arguments were made against the alleged new grounds of rejection of “Blonder et al. in view of Lotvin et al. and Checchio.” Therefore, it appears to the Applicant that the Examiner does not find the alleged “new ground of rejection” to be anything more than a new discussion of the rejection. Withdrawal of the “new” rejections is requested.

Appellant respectfully asserts that a *prima facie* case of obviousness has not been presented for any of the claims presented on appeal and therefore respectfully request that this Board find that all of the claims are patentable.

Respectfully submitted,

/Jeffrey L. Streets, #37,453/

Jeffrey L. Streets

Attorney for Appellant
Registration No. 37,453
13831 Northwest Freeway, Suite 355
Houston, Texas 77040
713-939-9444